



2 Marijuana Stocks That Could Be Millionaire Makers

Description

The marijuana moment is arriving in the United States. With governors from New York to New Mexico expressing support, the chances of cannabis policy reform becoming top-priority legislation in 2021 improve. Many of the state addresses and budget pronouncements lately call for marijuana legalization.

Stock investors are now scouting for [weed stocks to buy before federal legalization](#). Prominent industry players could deliver massive returns and be millionaire makers. The stock prices won't come cheap anymore, so today would be the best time to take positions.

Cannabis powerhouse

Aphria (TSX:APHA)(NASDAQ:APHA) seems to be well ahead of its peers preparing for the eventuality. The cultivator, producer, and seller of medical cannabis from Leamington, Canada, is set to join forces with **Tilray**. This merger will result in a single, multi-faceted cannabis company or an industry powerhouse, no less.

The mega-merger news alone is driving investors' enthusiasm. Aphria is soaring on the TSX with a 170% year-to-date gain thus far. Also, the \$23.27 share price today is 410% higher than it was a year ago.

Aphria should create inroads into the U.S. market following its acquisition of American craft brewer SweetWater Brewing Company. The US\$300 million purchase will enable Aphria to create a platform and infrastructure within the U.S.

The tandem with Tilray will likewise strengthen Aphria's medical cannabis business globally. In Europe, analysts expect the cannabis market to grow at a 29.6% CAGR clip. The combined entity has lucrative opportunities to gain a foothold in a market that could be worth US\$37 billion by 2027.

Industry leader

Canopy Growth ([TSX:WEED](#))(NYSE:CGC), the cannabis industry leader, [will not yield the throne](#) to competitors easily. The \$16.7 billion producer of recreational and medical marijuana from Smiths Falls, Canada, is preparing for its eventual entry into the U.S. markets.

WEED's total return in 2020 was 15% and has gained 40% year to date already. The price has gone up to as high as \$66.21 on February 1, 2021, but has declined since. You can purchase the stock at \$43.91 today. Analysts, however, forecast the stock to climb by 71% to \$75 in the next 12 months.

During the COVID year in May, American beer, wine, and spirit producer **Constellation Brands** increased its stake in Canopy Growth from 9.9% to 38.6%. Bill Newlands, Constellation Brands president and CEO, believes the global legalization of cannabis will present long-term opportunities. Canopy is well positioned to capitalize on the evolving market.

Canopy Growth's president and chief product officer note the growing acceptance of CBD products. Somehow, the health crisis accelerated demand for anxiety relief and tools for stress management. It only indicates that the market is ripe for expansion.

David Klein, Canopy's CEO, said the company could enter the U.S. market as soon as there's federal legalization. Its CFO, Mike Lee, adds, "We believe the foundation is in place to accelerate our top- and bottom-line growth and achieve profitability during the second half of next fiscal year."

Battle royale

A battle royale in the U.S. cannabis market is coming soon. Aphria and Canopy Growth will compete for supremacy and dominance. The two companies are making the right moves and heading in the right direction. However, challenges remain for cannabis companies. It may not be smooth sailing because other factors could still impede growth and deny them profits.

CATEGORY

1. Cannabis Stocks
2. Investing

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